

New Number  
042  
- A

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD  
ALBERT H. GREENE  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE  
MILTON C. GRACE\*  
GEORGE JOHN KETO\*\*  
RICHARD N. BAGENSTOS

\* NOT A MEMBER OF D.C. BAR  
\*\* ALSO A MEMBER OF OHIO BAR

LAW OFFICES  
ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D. C.

20006-2973

December 20, 1983

OF COUNSEL  
JESS LARSON  
JOHN L. INGOLDSBY  
URBAN ALISTER

14222  
RECORDATION NO. 14222  
CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

DEC 20 1983 -12

14222  
RECORDATION NO. 14222  
No. 3-354-102  
INTERSTATE COMMERCE COMMISSION  
440367 A AND A  
440348 CDAA UI

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

DEC 20 1983 -12 PM  
DEC 20 1983  
6:00:00

ICC Washington, D. C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are three fully executed copies each of 1) Lease of Railroad Equipment dated as of May 5, 1983 between Citicorp Leasing, Inc., Lessor, and the Upper Merion and Plymouth Railroad Company, Lessee, a primary document, and 2) Acknowledgment of Security Interest and Sublease dated as of May 5, 1983 between Citicorp Leasing, Inc. and Funding Systems Railcars, Inc., a secondary document.

A general description of the railroad equipment covered by the enclosed documents is set forth on Schedule A attached hereto and made a part hereof.

The names and addresses of the parties to the enclosed documents are:

Lease of Railroad Equipment

Lessor: Citicorp Leasing, Inc.  
450 Mamaroneck Avenue  
Harrison, New York 10528

Lessee: Upper Merion and Plymouth Railroad Company  
P.O. Box 404  
Conshohocken, Pennsylvania 19428

Acknowledgment of Security Interest and Sublease

FSR: Funding Systems Railcars, Inc.  
2215 Sanders Road  
Northbrook, Illinois 60062

RECEIVED  
FEE OPERATION BR.  
DEC 20 12 32 PM '83

*Counting*

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
December 20, 1983  
Page Two

Lessor: Citicorp Leasing, Inc.  
450 Mamaroneck Avenue  
Harrison, New York 10528

The undersigned is agent for the Lessor named above for the purpose of submitting the enclosed documents for filing and recordation.

Kindly return the stamped copies of the enclosed documents not needed for your files to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006

Also enclosed is a check in the amount of \$60 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

A short summary of the enclosed primary and secondary documents to appear in the Commission's Index is as follows:

Lease of Railroad Equipment dated as of May 5, 1983 between Citicorp Leasing, Inc., Lessor, and Upper Merion and Plymouth Railroad Company, Lessee; and Acknowledgment of Security Interest and Sublease dated as of May 5, 1983 between Citicorp Leasing, Inc. and Funding Systems Railcars, Inc., both covering ninety (90) 100-ton open-top hopper cars.

Very truly yours,

  
Charles T. Kappler

FSR  
ACKNOWLEDGMENT OF SECURITY INTEREST  
AND SUBLEASE

RECORDATION NO. 14222  
DEC 20 1983 12:12 PM  
INTERSTATE COMMERCE COMMISSION

This Acknowledgment is entered into as of this 5th day of May, 1983, between Citicorp Leasing, Inc. (the "Lessor"), and Funding Systems Railcars, Inc., a Debtor-in-Possession under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of Illinois ("FSR").

The Lessor has acquired title to the railcars described in Schedule A hereto (the "Units") pursuant to a foreclosure sale previously held by the parties holding a properly perfected, first position security interest in and to the Units. Lessor and a subsidiary of FSR, the Upper Merion and Plymouth Railroad Company ("Lessee"), are entering into a Lease of Railroad Equipment dated the same date hereof covering the Units (the "Lease"). Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Lease. Pursuant to the Lease, Lessee is, among other things, granting to Lessor a security interest in any and all rents, payments and proceeds allocable to the Units under any and all Subleases (as defined in the Lease) and Lessor is permitting the Lessee to enter into a management agreement with FSR concerning the Units and Subleases, provided, however, that FSR acknowledges 11 U.S.C. § 1168 is applicable to the Lease as it

relates to Lessor and Lessee, that to secure Lessee's obligations to Lessor under the Lease and subject to FSR's claim against Lessor for reimbursement of direct car costs for which Lessor is obligated under the Lease, FSR grants and assigns to Lessor a security interest in all of FSR's rights in and to all rentals, payments and proceeds allocable to the Units under any Sublease, that FSR acknowledges it has no rights in and to the Units or any rentals, payments or proceeds allocable to the Units under any Sublease whether as lessee or otherwise except as management and collection agent for Lessee, that any present or future management, sublease or other agreement between Lessee and FSR concerning the Units shall in all respects be subject and subordinate to the rights of Lessor under the Lease and that in the event of a default properly declared under the Lease by Lessor any management or other similar agreement between FSR and Lessee or its Affiliated Road concerning the Units shall terminate automatically solely as relates to the Units and FSR shall cease to have any rights, interest or authority with respect to the Units or any rentals, payments or proceeds allocable to the Units under any Sublease, subject to the terms and conditions of the Lease and this Acknowledgment.

In consideration of the foregoing and as an inducement to the Lessor to enter into the Lease, FSR hereby affirmatively states, agrees, represents and warrants as follows:

1. FSR acknowledges, as to the Lessor and the Lessee, the applicability of 11 U.S.C. § 1168 to the Lease and the right of Lessor to seek immediate return and repossession of the Units in the event of any default thereunder, subject to the provisions of § 1168. FSR's bankruptcy court shall not stay or enjoin such repossession. Notwithstanding the existence of any management agreement, sublease or other agreement between Lessee and Lessor concerning the Units, the Lease, any Sublease, or rentals, payments or proceeds with respect to the Units, but subject to the express terms or conditions of the Lease and only if Lessor otherwise has the right to such relief, FSR shall not contest or delay in any manner in any court proceedings, whether now or hereafter existing, any application by the Lessor for relief against Lessee based on 11 U.S.C. § 1168 in connection with a default under the Lease. FSR agrees that it is forever estopped from raising in any Court proceeding, whether now or hereafter existing, the issue of whether 11 U.S.C. § 1168 applies to the Lease as it relates to Lessor and Lessee and agrees that 11 U.S.C. § 1168 does apply to the Lease and all parties thereto.

2. To secure Lessee's obligations to Lessor under the Lease, and all reasonable costs of collection and realization on collateral, incurred in connection therewith or herewith (including reasonable attorneys' fees), FSR hereby grants and assigns a security interest to Lessor in the following described rights and property (the "Collateral")

to the extent of FSR's interests therein, if any: (i) all present and future fees, payments or proceeds payable or to be paid under any management or other agreement between FSR and Lessee concerning any of the Units or any Sublease, to the extent such fees are allocable or attributable to the Units, and (ii) any and all present and future interests of FSR in and to the Units and any present or future rentals, payments or other proceeds allocable to the Units under any present or future Subleases. Upon notice from Lessor of a default under the Lease, FSR shall immediately remit, pay over and assign to Lessor all funds in its possession representing proceeds of the Collateral and all rights thereto and will fully cooperate with Lessor to enable Lessor to obtain all rights to the Collateral, now existing or hereafter arising or acquired, subject to the terms of the Lease. FSR shall have a claim against Lessor for all unreimbursed direct car costs incurred by FSR concerning the Units to the extent such direct car costs are the responsibility of Lessor under the Lease.

3. FSR acknowledges that it is not and will not be or become a lessee or sublessee of any Units without the prior written consent of Lessor and that FSR does not have and will not obtain any right, interest or claim to the Units or to any rentals, payments or other proceeds allocable to the Units, whether under any Sublease or otherwise, except as agent for Lessee, that upon collection of any such rentals, payments or other proceeds FSR shall promptly remit

same as provided in the Lease. FSR further agrees that it will look solely to and have recourse only against Lessee for all fees or other consideration for management or other services performed pursuant to agreement with Lessee or otherwise concerning the Units or any Sublease. In no event shall FSR have any claim against the Collateral for such fees or consideration. Nothing contained herein shall diminish any of the rights or interests of or between Lessor and Lessee.

4. FSR acknowledges and agrees that any management or other agreement it has or may in the future have with Lessee or its Affiliated Road concerning any of the Units or any Collateral is and shall in all respects remain subject and subordinate to Lessor's rights hereunder and under the Lease.

5. Upon the proper declaration of an event of default under the Lease by Lessor which is not cured in accordance with the Lease, any rights of FSR pursuant to a management or other agreement between Lessee or its Affiliated Road and FSR concerning the Units and any rights of FSR with respect to any Sublease insofar as it applies to the Units or the Collateral shall terminate and FSR shall have no further rights or obligations thereunder.

6. FSR shall not enter into any management, servicing or other agreement concerning the Units except as permitted by the Lease or with the written consent of Lessor, which agreement shall be void without such consent. Such

consent shall be granted by Lessor if such agreement complies with the warranties, representations and agreements of this Acknowledgment and if the management, servicing or other agreement expressly provides that it is subject and subordinate to Lessor's rights hereunder and under the Lease.

7. This Acknowledgment is binding upon FSR, any reorganized successor of FSR emerging from FSR's bankruptcy proceedings, and all successors and assigns of either. The rights granted under this Acknowledgment inure to the benefit of Lessor's successors and assigns and any assignee of Lessor's rights under the Lease. This Acknowledgment shall be deemed accepted when delivered, need not be executed by Lessor to be effective, and is governed by the laws of the State of Illinois.

8. This Acknowledgment is made by FSR as debtor-in-possession under the United States Bankruptcy Code and all undertakings of FSR hereunder shall constitute undertakings of the debtor-in-possession and estate and shall survive confirmation and consummation of any plan of reorganization in FSR's bankruptcy proceedings. Any order confirming a plan of reorganization of FSR shall specifically provide that FSR's undertakings hereunder shall survive confirmation and consummation of the plan and that the bankruptcy court of FSR retains non-exclusive jurisdiction with respect to such undertakings of FSR hereunder solely for the purpose of enforcing the terms of this Acknowledgment. In the event of

a default properly declared under the Lease (including an event of default caused by the bankruptcy of Lessee or FSR, or their successors and assigns), and without further order of the bankruptcy court, all rights and obligations of FSR under any management agreement, Sublease (to the extent the Sublease covers Lessor's Units) or other agreement concerning any of the Units, any Sublease or any rentals, payments or proceeds pertaining thereto, shall terminate and Lessor shall have the right to immediate return and repossession of the Units, and the automatic stay under 11 U.S.C. §362 and any other injunctive relief authorized by or otherwise

applicable under the Bankruptcy Code shall not apply, all  
subject to the express terms and conditions of the Lease.

FUNDING SYSTEMS RAILCARS, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Corporate Seal

Attest:

\_\_\_\_\_  
Its: \_\_\_\_\_

CITICORP LEASING, INC.

By: *M. H. Edwards*

Its: VICE PRESIDENT

Corporate Seal

Attest:

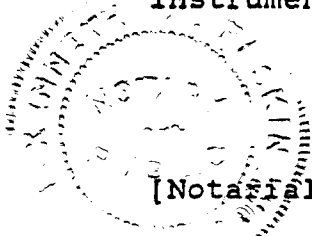
*Herbert C. Paul*  
Its: ASST. SEC'y

ACCEPTED:

STATE New York  
COUNTY OF Westchester

)  
) ss.  
)

On this 16th day of September, 1983, before me personally appeared Garth N. Edwards, to me personally known, who, being by me duly sworn, says that he/she is a Vice President of Citicorp Leasing, Inc., an Delaware Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by proper authority therefor, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Notarial Seal]

My Commission expires:

Kenneth H. Rask  
Notary Public  
KENNETH H. RASK  
Notary Public, State of New York  
No. 60476  
Qualified in Nassau County  
Commission Expires March 22, 1984 84

STATE OF ILLINOIS  
COUNTY OF \_\_\_\_\_

)  
) ss.  
)

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he/she is \_\_\_\_\_ of \_\_\_\_\_, an \_\_\_\_\_, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by proper authority therefor, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

My Commission expires:

\_\_\_\_\_  
Notary Public

applicable under the Bankruptcy Code shall not apply, all  
subject to the express terms and conditions of the Lease.

FUNDING SYSTEMS RAILCARS, INC.

By: *James B. Klein*

Its: PRESIDENT

Corporate Seal

Attest:

*Dennis T. Hurst*

Its: VICE PRESIDENT - CONTROLLER

CITICORP LEASING, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Corporate Seal

Attest:

Its: \_\_\_\_\_

ACCEPTED:

STATE \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before  
me personally appeared \_\_\_\_\_, to me personally  
known, who, being by me duly sworn, says that he/she is  
\_\_\_\_\_ of \_\_\_\_\_,  
an \_\_\_\_\_, that one of the seals  
affixed to the foregoing instrument is the corporate seal of  
said corporation, that said instrument was signed and sealed  
on behalf of said corporation by proper authority therefor,  
and he/she acknowledged that the execution of the foregoing  
instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires:  
\_\_\_\_\_

STATE OF ILLINOIS )  
 )  
COUNTY OF Cook ) ss.

On this 18th day of October, 1983, before  
me personally appeared James B. Shein, to me personally  
known, who, being by me duly sworn, says that he/she is  
President of Funding Systems X.  
an Railcars, Inc., that one of the seals  
affixed to the foregoing instrument is the corporate seal of  
said corporation, that said instrument was signed and sealed  
on behalf of said corporation by authority of its Board of  
Directors, and he/she acknowledged that the execution of the  
foregoing instrument was the free act and deed of said  
corporation.

Sharon Schumacher  
Notary Public

[Notarial Seal]

My Commission expires:  
My Commission Expires Jan. 27, 1985

SCHEDULE A

Identification of Railcars

(90 Open Top Hopper Cars)

DESCRIPTION:

100 ton open top hopper cars, NW Class H-12, manufactured by Shenandoah Virginia Corporation, delivered in 1979.

ORIGINAL LESSEE ROAD NUMBERS:

The Railcars were originally included within UMP 6000-UMP 6303.

MOST RECENT LESSEE ROAD NUMBERS:

UMP 6215, 6216, 6218, 6220, 6225, 6231, 6232, 6234, 6238,  
6242, 6243, 6245, 6247, 6248, 6250, 6258, 6261, 6268, 6283,  
6284, 6286, 6288, 6289, 6290, 6292, 6201, 6202, 6205, 6208,  
6209, 6211, 6212, 6213, 6214, 6221, 6222, 6223, 6229, 6230,  
6237, 6249, 6252, 6255, 6256, 6257, 6260, 6263, 6267, 6273,  
6274, 6275, 6276, 6278, 6279, 6293, 6294, 6168, 6175, 6184,  
6197, 6236, 6253, 6270, 6282, 6297, 6240, 6241, 6244, 6246,  
6254, 6259, 6264, 6265, 6266, 6269, 6271, 6280, 6281; TWRY  
6083, 6087, 6099, 6103, 6111, 6114, 6119, 6174; BDMX 171,  
175; UMP 6022, 6193.